GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA

UNSTARRED QUESTION NO:1401
ANSWERED ON:30.11.2006
PROFIT/ LOSS OF PUBLIC AIRLINES
Jindal Shri Naveen;Joshi Shri Pralhad Venkatesh;Rana Shri Kashi Ram;Scindia Shri Jyotiraditya Madhavrao;Yadav Shri Baleshwar

Will the Minister of CIVIL AVIATION be pleased to state:

(a) Whether the national air carriers which have been earning profits for years have begun to incur losses during the first two quarters of the current year;

(b) If so, the profits and losses incurred during each of the last three years and the current year so far alongwith the reasons for the losses; and

(c) The steps taken/proposed to be taken to overcome the situation?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL)

(a) and (b): The details of profit(loss) of Air India Limited and Indian Airlines Limited during the last three years are as under :-

Year	Air India	Indian Airlines
	(Rs. in crores)	
2003-04	92.33	44.17
2004-05	96.36	65.61
2005-06 (Prov.)	14.94	49.50

During the first quarter of the current year i.e. April-June, 2006, Air India has incurred an estimated loss of Rs.195.91 crores and Indian Airlines has incurred an estimated loss of Rs.138.55 crores during April-September, 2006.The reasons for these losses are mainly on account of stiff competition on the routes, declining yields, increase in interest cost and steep increase in fuel prices.

(c): Both the airlines have taken various steps to curtail losses viz.

(i) Dry leasing of aircraft;

(ii) Acquisiton of new aircraft;

(iii) Refurbishiment of the existing aircraft ;

(iv) Launching of special promotional schemes;

(v) Closing of uneconomical offices and downsizing ;

(vi) Re-deployment of staff from non-operational to operational areas and

(vii) Otsourcing of non-core activities to subsidiary companies.